

# WARREN COUNTY TREASURER

**Michael R. Swan**  
County Treasurer

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Deputy Treasurer

To: All Supervisors

From: Michael R. Swan, Treasurer

Date: February 27, 2012

Subject: Budget Analysis Report

## **Budget Analysis Report**

The purpose of the monthly budget analysis report is to make the County Supervisors and Administration aware of certain issues that may present a problem in the near future or are currently a problem. It is important that appropriate action be taken to address these issues or concerns before they become a problem.

We have analyzed the revenue and expenditure budgets for the County departments as of December 31, 2011 on a preliminary basis. Please note that we have not closed the year as of this date and there will be significant additional revenues and expenditures posted until we officially close the books over the next few months. We have also analyzed the revenue and expenditure budgets for the County departments as of January 31, 2012. We have noted the following items Supervisors should be aware of:

## **2011 Revenues**

### **County Treasurer**

**Interest and Penalties on Real Property Tax** – As of December 31, the department has received \$1,804,723 in interest and penalties on real property tax in 2010 and \$1,950,728 in 2011 which is an increase of 8% and exceeds the 2011 budgeted amount by \$550,728.

### **Sheriff's 911 Center**

**Emergency Telephone Surcharge** – As of December 31, the department has received \$282,490 in Emergency Telephone Surcharge in 2010 and \$269,263 in 2011 which is a decrease of 5% and is \$50,737 below the budget

### **Sheriff's Correction Division**

**Jail Services, Other Government** – As of December 31, the department has received \$765,150 in Jail Services, Other Government in 2010 and \$493,160 in 2011 which is a decrease of \$271,990 (36%) and is \$131,840 below the budget.

### **Mental Health**

**Mental Health Programs** – One mental health agency has not submitted their third quarter expense report to the County which was due November 15, 2011 and two agencies have not submitted their fourth quarter expense reports which were due February 15, 2012. We record the quarterly department revenue based on these reports so it is important that they are received timely.

### **Tourism**

**Occupancy Tax** – The department has collected \$84,825 more in occupancy taxes as of December 31, 2011 than we did as of December 31, 2010 which is a 2.6% increase. This amount represents collections for each year through February 22. We have not finalized 2011 figures yet and expect to receive payments for 2011 through March 31, 2012.

## **DPW**

**Railroad** – We have received unaudited financial numbers from the Saratoga & North Creek Railway for 2011. They have reported total revenue of \$1,866,735 of which \$112,004 (6%) is the County's and Town's portion. The \$112,004 is further broken down as follows: \$13,660 County Administration, \$34,149 County Reserve and \$34,149 Town Reserve. The railway reported a net loss of \$3,520,981 for 2011. Audited financial statements for 2011 are due to the County by April 30, 2012.

### **Early Retiree Reinsurance Program (ERRP)**

Our health insurance administrator, Capital Financial, has submitted a reimbursement request for the Early Retiree Reinsurance Program (ERRP) covering 12/1/10 to 11/30/11 for \$406,924.70 after multiple attempts at submitting a correct file. We have received notification on February 20, 2012 that no determination may be made on the reimbursement request because funds are currently unavailable. If funds become available, then the ERRP Center will continue processing our claim.

We have budgeted \$260,000 in the 2011 budget for this program and it doesn't appear likely that we will be able to record this as revenue for 2011 which will create a budget shortfall. If we receive this claim in 2012, then it will create a budget surplus for 2012.

## **2011 Expenditures**

Please see the attached Budget Exception report which summarizes budgeted expenditure line items where there is currently a problem or there may be a problem in the future. We are reporting on an exception basis only.

### **DPW – Corinth Road Capital Project**

The department overspent the Corinth Road capital project budget by \$271,206 as of December 31, 2011. A board resolution to amend the budget should be obtained prior to incurring additional costs for a capital project. The department didn't obtain board approval to amend the capital project budget until February 17, 2012.

## **2012 Revenues**

### **County Treasurer**

**Sales Tax** – It has been noted that we have collected \$6,190 more in sales taxes through January 31, 2012 than we did through January 31, 2011 which is a 0.2% increase.

**Town Payments on Taxes** – The following table shows the collections of Town payments on taxes as of February 24<sup>th</sup> of each year:

Town	2011	2012	Difference
Bolton	2,980,000.00	2,400,000.00	(580,000.00)
Chester	1,500,000.00	1,500,000.00	-
Hague	1,390,000.00	1,525,000.00	135,000.00
Horicon	1,872,993.38	1,963,012.17	90,018.79
Johnsburg	680,000.00	703,000.00	23,000.00
Lake George	2,500,000.00	3,000,000.00	500,000.00
Lake Luzerne	556,600.00	595,500.00	38,900.00
Queensbury	9,943,005.13	6,892,187.01	(3,050,818.12)
Warrensburg	538,453.50	597,150.62	58,697.12
	<u>21,961,052.01</u>	<u>19,175,849.80</u>	<u>(2,785,202.21)</u>

The County has collected \$2.8 million less in Town payments on taxes in 2012 than in 2011.

## 2012 Expenditures

Please see the attached Budget Exception report which summarizes budgeted expenditure line items where there is currently a problem or there may be a problem in the future. We are reporting on an exception basis only.

### County Debt

The following shows the County's current debt outstanding as of January 31, 2012:

Bonds	
Public Safety Bldg & Commun Upgrade Bond	14,950,000.00
Recovery Act Bonds, Various Projects	20,440,000.00
Statutory Installment Bond - Airport Hangar	640,000.00
Capital Leases	
Westmount Co-Generation Plant	1,877,311.40
Municipal Center Energy Project	2,123,709.90
Countryside Adult Home Energy Project	259,890.68
Bond Anticipation Notes	
Purchase of Gaslight Village	266,667.00
Abatement & Demolition #1	461,718.00
Abatement & Demolition #2	116,830.00
Corinth Road	3,000,000.00
Sheriff Vehicle/Bridge Rehab	<u>397,000.00</u>
Total Outstanding	<u><u>44,533,126.98</u></u>

Again, we invite comments from Supervisors and department heads to expand this into a more useful management tool in these critical financial times.